92071655

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

J
92-2244
14
O 22546
Q 35695
BEST COPY AVAILABLE

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Microfilmed by Q-Data Corp. - St. Petersburg, FL

For the transition period from _____ to _____

Commission file number 0-13649

COOPER LIFE SCIENCES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**94-2563513**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
160 Broadway, New York, New York	**10038**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(212) 791-5362**

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

As of March 12, 1992, there were 1,989,195 outstanding shares of the issuers Common Stock, $.10 par value.

COOPER LIFE SCIENCES, INC. AND SUBSIDIARY

INDEX

		Page No.
PART I.	FINANCIAL INFORMATION	
ITEM 1.	Financial Statements	
	Consolidated Balance Sheets as of January 31, 1992 and October 31, 1991	3
	Statements of Consolidated Operations For The Three Months Ended January 31, 1992 and 1991	4
	Consolidated Condensed Statements of Cash Flows For The Three Months Ended January 31, 1992 and 1991	5
	Notes to Consolidated Condensed Financial Statements	6-8
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	9-10
PART II.	OTHER INFORMATION	
ITEM 1.	Legal Proceedings	11-13
ITEM 6.	Exhibits and Reports on Form 8-K	13
SIGNATURES		14

COOPER LIFE SCIENCES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

ASSETS	January 31, 1992 (Unaudited)	October 31, 1991 (Audited)
Current Assets		
Cash and cash equivalents	$ 926	$ 1,872
Marketable Securities - at lower of cost or market, pledged as collateral for due to broker	2,131	--
Notes Receivable - Affiliate	10	10
Other receivables	112	124
Merchandise inventory	62	--
Prepaid expenses	187	180
Total current assets	3,428	2,186
The Cooper Companies, Inc. Preferred Stock - including $2,670 restricted at January 31, 1992 and October 31, 1991	32,729	32,099
Property and Equipment, Net of Accumulated Depreciation of $8 and $6 respectively	77	82
Intangible Assets, Net of Accumulated Amortization of $39 and $23 respectively	150	166
Other Assets	64	39
Total assets	$ 36,448	$ 34,572
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Due to Broker under repurchase agreement	$ 1,957	$ --
Accounts Payable	468	415
Liabilities Related to Discontinued Operations	323	372
Accrued and Other Current Liabilities	430	582
Income and Other Taxes Payable	218	327
	3,396	1,696
Note Payable - Affiliate	1,250	1,250
Noncurrent Liabilities	1,757	1,757
Total liabilities	6,403	4,289
Stockholders' Equity		
Preferred stock-$.10 par value, 6,000,000 shares authorized, none issued	--	--
Common stock-$.10 par value, 6,000,000 shares authorized, 2,191,095 shares issued and 1,989,195 shares outstanding at January 31, 1992 and October 31, 1991	219	219
Additional paid-in capital	75,939	75,939
Accumulated (Deficit)	(45,025)	(45,201)
Less: Cost of 201,900 shares held in treasury at January 31, 1992 and October 31, 1991 respectively	(1,088)	(1,088)
Total Stockholders' Equity	30,045	29,869
	$ 36,448	$ 34,572

See Notes to Consolidated Financial Statements

COOPER LIFE SCIENCES, INC. AND SUBSIDIARY

STATEMENTS OF CONSOLIDATED OPERATIONS
Dollars in Thousands, Except Per Share Figures
(Unaudited)

	For the Three Months Ended January 31,	
	1992	1991
NET SALES	$ 2	$ --
COST OF SALES	19	--
GROSS PROFIT (LOSS)	(17)	--
GENERAL AND ADMINISTRATIVE EXPENSES	598	357
OPERATING LOSS	(615)	(357)
OTHER INCOME (EXPENSES)		
Dividend income	630	560
Interest income	16	38
Other income - net	23	6
Income-Reduction of estimated other tax liabilities	116	118
Interest expense	(37)	(2)
	748	720
INCOME FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	133	363
PROVISION FOR INCOME TAXES	--	25
INCOME FROM CONTINUING OPERATIONS	133	338
DISCONTINUED OPERATIONS		
Income From Discontinued Operations-Net Of Taxes	32	58
EXTRAORDINARY CREDIT -utilization of net operating loss carryforwards	11	9
NET INCOME	$ 176	$ 405
NET INCOME PER SHARE		
Continuing operations	$ .07	$ .16
Discontinued operations	.02	.03
Income before extraordinary item	.09	.19
Extraordinary item	--	--
NET INCOME PER SHARE	$ .09	$ .19
AVERAGE NUMBER OF SHARES OUTSTANDING	1,989	2,106

See Notes to Consolidated Financial Statements

COOPER LIFE SCIENCES, INC. AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Dollars in Thousands
(Unaudited)

	For the Three Months Ended January 31,	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used by continuing operating activities	$ (774)	$ (596)
Net cash provided by discontinued operating activities	2	--
	(772)	(596)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of treasury stock	--	(672)
Investment in marketable securities	(2,131)	--
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to broker under repurchase agreement	1,957	--
NET DECREASE IN CASH AND CASH EQUIVALENTS	(946)	(1,268)
CASH AND CASH EQUIVALENTS - Beginning	1,872	3,066
CASH AND CASH EQUIVALENTS - End	$ 926	$1,798

See Notes to Consolidated Financial Statements

COOPER LIFE SCIENCES, INC. AND SUBSIDIARY
Notes to Consolidated Condensed Financial Statements
January 31, 1992 and 1991

NOTE 1.

Cooper Life Sciences, Inc., a Delaware corporation (the "Company"), was engaged in the business of the manufacture and sale of surgical laser and ultrasonic devices until such businesses were disposed of during 1988 and in prior years. From the time of such dispositions until June 1991, the Company was not engaged in any operating business. Since June 1991, the Company, through its 80% owned subsidiary, Moore Sports Ltd. ("Moore"), has been engaged in the sale of various ceramic, paper, plastic and glassware products which, pursuant to a license granted by the Major League Baseball Players Association to the entity for which Moore is acting as the exclusive distributor, bear the names and likenesses of various major league baseball players. To date, Moore's efforts with respect to this activity have been primarily directed towards the formulation and implementation of a marketing program, and only minimal sales have been generated. The Company, together with the investment banking firm which has been engaged by it, is also vigorously continuing to explore various opportunities for the acquisition by it of one or more operating businesses. Although preliminary discussions were held during the 1991 fiscal year with the principals of a number of such businesses, to date the Company has not become committed with respect to any such acquisitions.

At January 31, 1992, the principal asset of the Company are shares of preferred stock (the "TCC Preferred Stock"), which is stated at cost, of The Cooper Companies, Inc., a Delaware corporation the common stock of which is traded on the New York Stock Exchange ("TCC"). To date all dividends on the TCC Preferred Stock have been paid in additional shares of TCC Preferred Stock. A permanent impairment in the value of the TCC Preferred Stock would result in an adjustment to the carrying value and a corresponding expense. The Board of Directors of the Company has determined that there has not been a permanent impairment in value of the TCC Preferred Stock. The TCC Preferred Stock is not registered and there is no trading market for these shares (all of which are owned by the Company). TCC is obligated to register the shares for resale under the Securities Act of 1933, as amended, at its expense. Such a registration statement has been filed, but has not been declared effective. There are significant uncertainties relating to the amount that the Company may ultimately be able to recover from a sale of the TCC Preferred Stock. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 2.

The Company has utilized the benefit of tax loss carryforwards to reduce income taxes which would have been due on the first quarter's income. For the quarter ended January 31, 1992, after reducing the income from continuing operations by permanent differences relating to the 70% dividends received exclusion, there remained no taxable income related to continuing operations. Tax of $19,000 was provided on income from discontinued operations,

which was partially offset by utilizing the benefit of net operating loss carryforwards. The Company incurs alternative minimum taxes.

NOTE 3.

For the three months ended January 31, 1992, the Company has reduced its potential liabilities related to income and other taxes payable and discontinued operations from $327,000 and $372,000 to $218,000 and $323,000, respectively. The current reductions of these liabilities were made based upon reevaluations of the potential exposure and reflect, in the case of tax related matters, preliminary assessments, including possible interest and penalties. These amounts, reflected as income and other taxes payable, do not include any amounts relating to the potential tax liabilities described in the following paragraphs of this Note 3.

During the course of an Internal Revenue Service ("IRS") audit of the consolidated federal income tax return of The Cooper Companies, Inc. ("TCC") and the Company's former parent, Cooper Laboratories, Inc. ("Labs"), for the taxable year ended October 31, 1984 ("1984 Return"), TCC received from an IRS agent two "position papers" preliminarily asserting that Labs, in its 1984 Return, should have recognized taxable gain in connection with (i) the distribution of all of its stock of TCC in December 1983, and (ii) the sales by Labs, in the course of its complete liquidation, of all of the stock of Oral-B Laboratories, Inc. and of Labs' skin care products business. As a former subsidiary of Labs which was included in the 1984 Return, the Company would be liable, together with the Labs' liquidating trust and the other former subsidiaries of Labs which are included in the 1984 Return, for any tax deficiencies arising out of the audit of the 1984 Return and any interest and penalties thereon (although such liabilities, as among them, may be subject to applicable tax sharing agreements).

The IRS sent a Notice of Deficiency to Labs on July 12, 1991 (the "Labs Notice"). In the Labs Notice, the IRS asserted that the two transactions described above gave rise to income which should have been recognized by Labs on its consolidated return which included the other members of its consolidated group, including the Company. The IRS asserted penalties, as well as the tax deficiency.

Although the Labs Notice was addressed only to Labs and purported to be sent to Labs alone (and not in its capacity as parent of the consolidated group), as a protective measure, the Company (as did the other members of Labs' consolidated group) filed a petition disputing the proposed deficiency and penalties with the United States Tax Court.

As expected, the IRS has determined that the Labs Notice was not issued to the Company, and has issued a notice of deficiency, dated December 31, 1991, directly to the Company ("Company Notice"). The IRS issued similar notices to the other members of

Labs' consolidated group.

The IRS filed motions to dismiss all the petitions filed in reply to the Labs Notice, including those filed on the Company's behalf. Based upon the IRS's representation that it will not challenge the jurisdiction of the Tax Court over a petition filed by a Labs subsidiary in reply to a notice of deficiency issued directly to such subsidiary (e.g., the Company Notice), the Company joined the IRS in its request to dismiss the Company's petition (in reply to the Labs Notice) for lack of jurisdiction. The Tax Court has granted the motions to dismiss the petitions which were filed by the Company and the other subsidiaries. The Company has filed a timely petition in reply to the Company Notice.

The Company Notice differs from the Labs Notice in that the Company Notice asserts no deficiency with respect to Labs' December 1983 distribution of all of its stock of TCC and asserts no penalties at all. The tax deficiency asserted is approximately $37,000,000, in lieu of the approximately $129,500,000 tax deficiency asserted in the Labs Notice. Interest is reduced accordingly. It is anticipated that the IRS will not pursue the issues of the taxability of the 1983 distribution of TCC stock or the penalties asserted in the Labs Notice, but no assurance can be given at this time that it will not do so.

In February 1992, TCC received from the same IRS agent a memorandum preliminarily asserting that Labs, in its consolidated federal income tax return for its short taxable year ended in June 1985, should have recognized gain on the liquidating distribution of its shares of the stock of the Company and of Cooper Development Company (then known as Cooper Biomedical, Inc.), as well as other assets.

The Company will contest vigorously the claim that has been asserted and any future claim that is asserted against it. If the IRS pursues either or both of the remaining issues and then prevails on the merits on either issue, the financial position of the Company would be materially and adversely affected. In the opinion of management of the Company, after consultation with counsel, the likelihood that the IRS would prevail on either of the remaining issues is remote.

NOTE 4.

In the opinion of the Company, the accompanying unaudited financial statements contain all adjustments necessary to present fairly the Company's financial position as of January 31, 1992 and October 31, 1991 and the results of its operations and its cash flows for the three month periods ended January 31, 1992 and 1991.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

a. Three Months Ended January 31, 1992 Compared With Three Months Ended January 31, 1991:

Currently the Company has one operating company, Moore Sports Ltd. and its assets consist primarily of cash, cash equivalents and shares of the TCC Preferred Stock.

General and administrative expenses associated with continuing operations increased by $241,000, or 68%, from $357,000 in the prior period to $598,000 in the three months ended January 31, 1992. The Company's general and administrative expenses changed primarily as follows: legal and professional fees increased by $239,000; salaries, insurance and other expenses decreased by $124,000. Expenses of the Company's subsidiary, Moore Sports Ltd., amounted to $126,000 and were composed primarily of product development, market research, advertising and similar expenses.

Dividend income increased by $70,000 due to the compounding effect of receiving dividends on the TCC Preferred Stock that have, to date, been paid in additional shares of TCC Preferred Stock. (See Note 1 of Notes to Consolidated Financial Statements.) Interest income decreased by $22,000 as a result of lower cash balances.

Interest expense increased by $35,000 primarily as a result of the cost of borrowing $1,250,000 from an affiliate on October 31, 1991.

b. Impact of Statement of Financial Accounting Standards Issued But Not Adopted:

In February, 1992, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes ("Statement 109"), which requires adoption of a new method for accounting for income taxes. Under Statement 109, a liability approach is used to calculate deferred income taxes. The provision or credit for deferred income taxes that will affect income each year will be the change in the estimated deferred income tax liability from year to year. Statement 109 is effective for years beginning after December 15, 1992 and, although not required, earlier adoption is permitted. In adopting Statement 109, the Company has the option of reporting the cumulative effect of the change in accounting principle at the beginning of the year of adoption or restating the prior years' financial statements to conform to the provisions of Statement 109. The Company has not yet determined the impact on its consolidated financial statements; however, management believes that the impact will not be significant.

c. Capital Resources and Liquidity:

The Company believes that its liquid assets should be sufficient to meet current operating expenses and other cash requirements. It may, however, augment its existing liquid assets with the proceeds of additional debt and/or equity financing

transactions. In order to be able to implement its primary goal of acquiring operating businesses, the Company must utilize the TCC Preferred Stock (which is its principal asset) to provide the majority of the purchase price. In this connection, the Company and its investment advisors are exploring such transactions as an outright sale of the TCC Preferred Stock, an acquisition loan to the Company (which would be collateralized by the TCC Preferred Stock), and/or a joint venture transaction pursuant to which the Company would contribute the TCC Preferred Stock and the co-venturer would contribute an operating business.

The Company did not have any material capital commitments at January 31, 1992.

PART II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Guenther, et al. v. Cooper Life Sciences, Inc., et al.

The Company, and other individuals and entities, is a defendant in an action in the United States District Court for the Northern District of California filed by George R. Guenther and other individuals (the "Guenther Suit"). In April 1989, plaintiffs filed their Second Amended and Supplemental Complaint (the "Complaint"). The Complaint alleges that the Company and the other defendants committed violations of provisions of the federal securities laws, and also engaged in a breach of fiduciary duty owed to the Company's stockholders, common law fraud and common law negligent misrepresentation. The Complaint seeks unspecified monetary damages from all defendants. The Complaint also asserts a derivative claim by John H. Richter, a stockholder of the Company, purportedly brought on behalf of the Company against certain individuals and entities.

In 1990 and 1991, the parties held several informal meetings with a settlement judge, and had other informal settlement discussions. The Court has scheduled trial in this matter for October 5, 1992.

The Company has moved for partial summary judgement dismissing the plaintiff's claims brought pursuant to Section 11 of the Securities Act of 1933, as amended.

On April 18, 1991, the Company entered into a settlement agreement with Employer's Insurance of Wausau ("Wausau") pursuant to which, without resolving issues regarding coverage of the Guenther litigation under insurance policies issued by Wausau to the Company, Wausau agreed, pursuant to certain restrictions and contingencies, to pay most of the costs and attorneys' fees incurred by the Company in defense of the Guenther Suit. The continuance of such payments may depend upon the resolution by the California Supreme Court of legal issues raised in an appeal in an otherwise unrelated case. An adverse decision in that appeal might also entitle Wausau to recover from the Company amounts paid by Wausau for legal services and costs incurred subsequent to (but not prior to) April 18, 1991.

Berlex Laboratories, Inc. v. Cooper Life Sciences, Inc., et al.

In June 1988, Berlex Laboratories, Inc. ("Berlex") filed a number of related actions in the Superior Court of New Jersey, the United States District Court for the District of New Jersey, the United States District Court for the District of Delaware, the United States District Court for the District of Massachusetts, and the United States District Court for the District of the Virgin Islands. Defendants in those actions are the Company, Cooper Holdings, Inc., Cooper Development Company ("CDC"), TCC, The First National Bank of Boston, solely in its capacity as Trustee of the Cooper Laboratories, Inc. Stockholders' Liquidating Trust (the "Trustee"), and other individual and corporate defendants.

By these actions, Berlex is seeking to force the Company, CDC and TCC, the Trustee and the various individual and corporate defendants to ensure that Berlex will be indemnified, if the need for indemnification should arise, with regard to Diethylstilbestrol ("DES") claims and environmental problems that could arise at the Virgin Islands and Cedar Knolls facilities sold to Berlex by Cooper Laboratories, Inc. ("Labs") (the former parent company of the Company, CDC and TCC) in 1979 along with certain assets of Labs' internal medicine business.

On May 10, 1991, a settlement agreement (the "Settlement Agreement") was reached in connection with the Cedar Knolls facility only. The Settlement Agreement, funded entirely by the Trustee and the co-Defendant, Penwalt (now known as Atochem), does not require any contribution by the Company.

In January 1992, a final settlement agreement (the "Final Settlement Agreement") was reached in connection with all remaining litigation, including claims relating to the Virgin Islands facility. Pursuant to the Final Settlement Agreement, which does not require any contribution by the Company, Berlex agrees to release the defendants, including the Company, and the defendants agree to release Berlex and each other from all outstanding claims, including those relating to environmental contamination at the Virgin Islands facility in the United States District Court, District of New Jersey action, the United States District Court, District of Delaware action, the United States District Court, District of the Virgin Islands action, and the New Jersey Superior Court Action.

This Final Settlement Agreement pertaining to the Virgin Island facility together with the Settlement Agreement for the Cedar Knolls facility mentioned above, settles all the actions brought by Berlex against the Company and the other individual and corporate defendants. However, in February 1992, CHS Holding Corporation filed a motion in the United States District Court, District of Virgin Islands, to amend their answer and counterclaim in order to add a cross-claim against Cooper Holdings, Inc. As the Company was never a party to the Virgin Islands action, the existence of this cross-claim should have no bering upon the Company.

Patricia Sutyak, Executrix of the Estate of Nancy Soltis, Deceased v. Jose Arias, M.D., et al.

On July 18, 1991, Patricia Sutyak, the executrix of the estate of Nancy Soltis, deceased, commenced an action against several defendants, including the Company, in the Court of Common Pleas of Cuyahoga County, Ohio. In this action, the plaintiff claims that in July 1989 her decedent died during surgery at Deaconess Hospital, that the doctors performing the surgery acted negligently, causing the plaintiff's decedent's death, and that during the course of the surgery, a surgical laser system, allegedly negligently designed, manufactured and sold by the Company or its successor in interest Heraeus LaserSonics, Inc. ("Heraeus"), was used and that the use of such machine was a proximate cause of plaintiff's decedent's death. The Company sold

its surgical laser business to Heraeus in May 1988. Deaconess Hospital, the doctors who performed the surgery and Heraeus are also named as defendants. Plaintiff is seeking an unspecified amount of damages for her decedent's next of kin, as well as pain suffered prior to decedent's death, incurred medical expense and loss of enjoyment of life. This action is in the early stages of pleading and discovery. The Company believes that it has meritorious defenses and intends to vigorously defend this action.

Sobrato Development Companies, et al. v. Litronix Inc., et al.

On September 4, 1990, a number of plaintiffs affiliated with John A. Sobrato (collectively, "Sobrato") commenced an action in the United States District Court for the Northern District of California against Litronix, Inc., Labs, CooperVision, Inc., TCC, CDC, the Company and Revo, Inc., a subsidiary of CDC.

Plaintiffs contend that they own property on which hazardous substances are located. They allege that, as a result, the United States Environmental Protection Agency has demanded reimbursement for response costs and interest. Plaintiffs further allege that defendants, including the Company, were tenants as to that property and caused or permitted the release of hazardous substances on the property. Plaintiffs seek from the defendants, including the Company, contribution, cost recovery and indemnity allegedly based upon the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and California common law.

The Company has responded to interrogatories, requests for admissions and document requests submitted by plaintiffs and has filed counterclaims against the plaintiffs. In addition, some parties in the action have brought cross-claims against the Company, in essence for contribution and indemnity. The Company has brought similar claims against some of the parties.

The Company is also a defendant in certain other litigations relating to its former business operations.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8K

b. There were no reports on Form 8-K filed during the period from November 1, 1991 to January 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COOPER LIFE SCIENCES, INC.
(Registrant)

Date: March 13, 1992 By: _____

Steven Rosenberg
Vice President and Chief Financial Officer